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Editorial: Benefits of CAFTA-DR

Obscured by the partisan wrangling on Capitol Hill over the Bush administration's judicial nominations and John Bolton's quest to become U.S. ambassador to the United Nations is a mostly partisan dispute over another important matter: U.S. trade with Central America. An agreement that promises to significantly increase this trade and - more important - create U.S. jobs is stuck in the congressional deep freeze. It's May, a good time to get this agreement unfrozen.

The Central America and Dominican Republic Free Trade Agreement, known as CAFTA-DR, was agreed to last May by the United States, five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and the Dominican Republic. As recently as January, the administration hoped to get it approved by Congress by Memorial Day. No chance.

Like other free-trade pacts, most notably the North American Free Trade Agreement, CAFTA-DR has generated the fierce opposition of trade unions, some Democrats and others with axes to grind and friends in Congress. They are some of the same people who opposed NAFTA in the early 1990s.

Their arguments have not changed much. The CAFTA-DR agreement, they say, will give the wrong people a green light to do wrong things: It will allow big U.S. corporations to move U.S. jobs to poor countries. It will let foreign governments pay slave wages to already impoverished workers. It will allow the environment to be polluted.

An examination of the agreement, however, shows these objections to be either groundless or overdrawn. And the benefits it promises are considerable. Under CAFTA-DR, tariffs on about 80% of U.S. exports to the participating countries would be eliminated immediately, and the rest of these barriers would be phased out over, at most, the next 20 years.

The trade barriers faced by U.S. dairy exporters, many in Wisconsin, are especially high. They now face duties as high as 60%, according to the U.S. Department of Agriculture, and the World Trade Organization permits duties as high as 100%, the department says. According to the USDA, agricultural exports helped support more than 25,000 jobs in Wisconsin, and in 2003, such exports from Wisconsin earned more than $1.5 billion. The trade deal, USDA says, "will increase Wisconsin's exports of agricultural products," not just the exports of dairy farmers.

The U.S. won't have to make these cuts because almost all of Central America's exports enter this country duty-free already. That is why Rep. Paul Ryan (R-Wis.) argues that the case for congressional approval of the agreement is a no-brainer. Central America and the

Dominican Republic are far from rich, but a market of 44 million people is not to be sneezed at.

Rep. Ron Kind (D-Wis.) and other members of the New Democrat Coalition - a group of self-described House Democratic centrists - oppose the agreement. Kind argues, in part, that the administration has failed to adequately help U.S. workers manage the transition to life in a global economy. It hasn't helped provide worker retraining, education and investment in research.

This is fair comment. The administration should do more on this front. But U.S. workers should also understand that the world of work is changing dramatically and take it upon themselves to provide for their future.

In spite of its flaws, the CAFTA-DR is a good deal. It promises more U.S. exports, which promise more jobs and better lives.